

TAB 54

Form **1120** U.S. Corporation Income Tax Return **2001**  
 Department of the Treasury Internal Revenue Service  
 Instructions are separate. See instructions for Paperwork Reduction Act Notice.

IRS use only — Do not write or staple in this space.

For calendar year 2001 or tax year beginning

, 2001, ending

, 20

OMB No. 1545-0123

**A Check if a:**

- 1 Consolidated return (attach Form 951) ☐  
 2 Personal holding company (attach Schedule PH) ☐  
 3 Personal service corp (as defined in Temp Regs Section 1.441-4T — see instructions) ☒

Use IRS label. Otherwise, print or type.

MATRIX CAPITAL ASSOCIATES, INC.  
 4 HIDDEN VALLEY ROAD  
 MONROVIA, CA 91016

**B Employer Identification Number**

95-XXXXXX

**C Date Incorporated**

8/23/1982

**D Total Assets (see instructions)**

**E Check applicable boxes:**

(1) Initial return (2) Final return (3) Name change (4) Address change

\$ 108,044.

<b>INCOME</b>	1 a Gross receipts or sales	208,343.	b Less returns & allowances		c Balance	1c	208,343.
	2 Cost of goods sold (Schedule A, line 8)					2	
	3 Gross profit. Subtract line 2 from line 1c					3	208,343.
	4 Dividends (Schedule C, line 19)					4	
	5 Interest					5	
	6 Gross rents					6	
	7 Gross royalties					7	
	8 Capital gain net income (attach Schedule D (Form 1120))					8	
	9 Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)					9	
	10 Other income (see instructions — attach schedule)					10	
	11 Total income. Add lines 3 through 10					11	208,343.
<b>DEDUCTIONS</b>	12 Compensation of officers (Schedule E, line 4)					12	
	13 Salaries and wages (less employment credits)					13	
	14 Repairs and maintenance					14	8,196.
	15 Bad debts					15	
	16 Rents					16	
	17 Taxes and licenses					17	887.
	18 Interest					18	
	19 Charitable contributions (see instructions for 10% limitation)					19	102.
	20 Depreciation (attach Form 4562)	20				20	
	21 Less depreciation claimed on Schedule A and elsewhere on return	21 a				21 b	
	22 Depletion					22	
	23 Advertising					23	
	24 Pension, profit-sharing, etc, plans					24	
	25 Employee benefit programs					25	
	26 Other deductions (attach schedule)		SEE STATEMENT 1			26	106,598.
	27 Total deductions. Add lines 12 through 26					27	115,783.
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11					28	92,560.
	29 Less: a Net operating loss (NOL) deduction (see instructions)	29 a	SEE ST. 2	86,842.		29 b	
b Special deductions (Schedule C, line 20)	29 c				29 c	86,842.	
30 Taxable income. Subtract line 29c from line 28					30	5,718.	
31 Total tax (Schedule J, line 11)					31	2,001.	
<b>TAX AND PAYMENTS</b>	32 Payments:						
	a 2000 overpayment credited to 2001	32 a					
	b 2001 estimated tax payments	32 b					
	c Less 2001 refund applied for on Form 4466	32 c					
	d Tax deposited with Form 7004	32 d		0.			
	e Credit for tax paid on undistributed capital gains (attach Form 2439)	32 e					
	f Credit for federal tax on fuels (attach Form 4136). See instructions	32 f					
	g Credit for federal tax on fuels (attach Form 4136). See instructions	32 g					
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached	33				33	80.
	34 Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed	34				34	2,081.
35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid	35				35		
36 Enter amount of line 35 you want: Credited to 2002 estimated tax	36				36		

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below? (see inst)  
☒ Yes ☐ No

Signature of Officer

Date

Title

**Paid Preparer's Use Only**

Preparer's Signature

Date

Check if self-employed

Preparer's SSN or PTIN

Firm's Name (or yours if self-employed), Address, and ZIP Code

PIAZZA, DONNELLY & MARLETTE  
 3460 TORRANCE BLVD., SUITE 150  
 TORRANCE, CA 90503

EIN

Phone No. (310) 540-4118

BAA

CPCA0205L 01/01/02

Form 1120 (2001)

**Schedule A Cost of Goods Sold** (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional Section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on line 2, page 1	8	

9a Check all methods used for valuing closing inventory:

- (i) ☐ Cost as described in Regulations Section 1.471-3  
 (ii) ☐ Lower of cost or market as described in Regulations Section 1.471-4  
 (iii) ☐ Other (specify method used and attach explanation) \_\_\_\_\_

b Check if there was a writedown of subnormal goods as described in Regulations Section 1.471-2(c) ☐ Yes ☐ Noc Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970). ☐ Yes ☐ Nod If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO ☐ 9d ☐ Yes ☐ Noe If property is produced or acquired for resale, do the rules of Section 263A apply to the corporation? ☐ Yes ☐ Nof Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation. ☐ Yes ☐ No**Schedule C Dividends and Special Deductions** (see instructions)

	(a) Dividends received	(b) Percentage	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations (Section 246A)	SEE INSTR.	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction	80	
8	Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (Section 245(b))	100	
9	Total. Add lines 1 through 8. See instructions for limitation		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from certain FSCs that are subject to the 100% deduction (Sec 245(c)(1))	100	
12	Dividends from affiliated group members subject to the 100% deduction (Section 243(a)(3))	100	
13	Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up (Section 78)		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (Section 246(d))		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1		

**Schedule E Compensation of Officers** (see instructions for line 12, page 1.)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1, Form 1120) are \$500,000 or more.

1	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
2	Total compensation of officers					
3	Compensation of officers claimed on Schedule A and elsewhere on return					
4	Subtract line 3 from line 2. Enter the result here and on line 12, page 1					

**Schedule J Tax Computation** (see instructions)

1 Check if the corporation is a member of a controlled group (see Sections 1561 and 1563). ☐ **Important:** Members of a controlled group, see instructions.

2a If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, & \$9,925,000 taxable income brackets (in that order):  
 (1) \$ \_\_\_\_\_ (2) \$ \_\_\_\_\_ (3) \$ \_\_\_\_\_

b Enter the corporation's share of: (1) Additional 5% tax (not more than \$11,750). \$ \_\_\_\_\_  
 (2) Additional 3% tax (not more than \$100,000). \$ \_\_\_\_\_

3 Income tax. Check if a qualified personal service corporation under Section 448(d)(2) (see instructions). ☒ **3** 2,001.

4 Alternative minimum tax (attach Form 4626). **4**

5 Add lines 3 and 4. **5** 2,001.

6a Foreign tax credit (attach Form 1118). **6a**

b Possessions tax credit (attach Form 5735). **6b**

c Check: ☐ Nonconventional source fuel credit ☐ QEV credit (attach Form 8834). **6c**

d General business credit. Check box(es) and indicate which forms are attached.  
☐ Form 3800 ☐ Form(s) (specify) \_\_\_\_\_ **6d**

e Credit for prior year minimum tax (attach Form 8827). **6e**

f Qualified zone academy bond credit (attach Form 8860). **6f**

7 **Total credits.** Add lines 6a through 6f. **7**

8 Subtract line 7 from line 5. **8** 2,001.

9 Personal holding company tax (attach Schedule PH (Form 1120)). **9**

10 Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697  
☐ Form 8866 ☐ Other (attach schedule). **10**

11 **Total tax.** Add lines 8 through 10. Enter here and on line 31, page 1. **11** 2,001.

**Schedule K Other Information** (see instructions)

	Yes	No
1 Check method of accounting: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) _____		
2 See the instructions and enter the: a Business activity code no. <b>523140</b> b Business activity <b>INVESTMENTS</b> c Product or service <b>INVESTMENT COUNSEL</b>		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see Section 267(c).) <input checked="" type="checkbox"/>		
If 'Yes,' attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.		
4 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? <input checked="" type="checkbox"/> If 'Yes,' enter name and EIN of the parent corporation _____		
5 At the end of the tax year, did any individual, partnership, corporation, estate or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see Section 267(c).) <input checked="" type="checkbox"/> If 'Yes,' attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter % owned <b>100. %</b> <b>SEE STATEMENT 3</b>		
6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See Sections 301 and 316.) <input checked="" type="checkbox"/> If 'Yes,' file Form 5452, Corporate Report of Nondividend Distributions.		
7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation? <input checked="" type="checkbox"/> If 'Yes,' enter: (a) Percentage owned _____ and (b) Owner's country _____		
c The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached _____		
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount. <input type="checkbox"/> If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
9 Enter the amount of tax-exempt interest received or accrued during the tax year. \$ <b>NONE</b>		
10 Enter the number of shareholders at the end of the tax year (if 75 or fewer). <b>1</b>		
11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here. <input type="checkbox"/> If the corporation is filing a consolidated return, the statement required by Regulations Section 1.1502-21(b)(3)(i) or (ii) must be attached or the election will not be valid.		
12 Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) \$ <b>86,842</b>		

**Note:** If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach Schedule N (Form 1120), Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash .....		3,544.		108,044.
2a	Trade notes and accounts receivable .....				
b	Less allowance for bad debts .....				
3	Inventories .....				
4	U.S. government obligations .....				
5	Tax-exempt securities (see instructions) .....				
6	Other current assets (attach schedule) .....				
7	Loans to shareholders .....				
8	Mortgage and real estate loans .....				
9	Other investments (attach schedule) .....				
10a	Buildings and other depreciable assets .....	4,568.		4,568.	
b	Less accumulated depreciation .....	4,568.		4,568.	
11a	Depletable assets .....				
b	Less accumulated depletion .....				
12	Land (net of any amortization) .....				
13a	Intangible assets (amortizable only) .....				
b	Less accumulated amortization .....				
14	Other assets (attach schedule) .....				
15	Total assets .....		3,544.		108,044.
<b>Liabilities and Shareholders' Equity</b>					
16	Accounts payable .....				
17	Mortgages, notes, bonds payable in less than 1 year .....				
18	Other current liabilities (attach sch.) .....				
19	Loans from shareholders .....		94,141.		110,171.
20	Mortgages, notes, bonds payable in 1 year or more .....				
21	Other liabilities (attach schedule) .....				
22	Capital stock: a Preferred stock .....				
b	Common stock .....	5,000.	5,000.	5,000.	5,000.
23	Additional paid-in capital .....				
24	Retained earnings — Approp (att sch.) .....				
25	Retained earnings — Unappropriated .....		-95,597.		-7,127.
26	Adjmnt to shareholders' equity (att sch.) .....				
27	Less cost of treasury stock .....				
28	Total liabilities and shareholders' equity .....		3,544.		108,044.

Note: The corporation is not required to complete Schedules M-1 and M-2 if the total assets on line 15, column (d) of Schedule L are less than \$25,000.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (see instructions)					
1	Net income (loss) per books .....	88,470.	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books .....			Tax-exempt interest \$ .....	
3	Excess of capital losses over capital gains .....				
4	Income subject to tax not recorded on books this year (itemize):				
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation .....	\$ .....	a	Depreciation .....	\$ .....
b	Charitable contributions .....	\$ .....	b	Charitable contributions .....	\$ 67.
c	Travel & entertainment .....	\$ 790.			
STATEMENT 4		3,367.			67.
		4,157.	9	Add lines 7 and 8 .....	67.
6	Add lines 1 through 5 .....	92,627.	10	Income (line 28, page 1) — line 6 less line 9 .....	92,560.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)					
1	Balance at beginning of year .....	-95,597.	5	Distributions .....	a Cash ...
2	Net income (loss) per books .....	88,470.	b	Stock .....	c Property ..
3	Other increases (itemize):		6	Other decreases (itemize):	
			7	Add lines 5 and 6 .....	
4	Add lines 1, 2, and 3 .....	-7,127.	8	Balance at end of year (line 4 less line 7) .....	-7,127.

**Underpayment of Estimated Tax by Corporations**

OMB No. 1545-0142

**2001**Department of the Treasury  
Internal Revenue Service

▶ See separate instructions.

▶ Attach to the corporation's tax return.

Name

MATRIX CAPITAL ASSOCIATES, INC.

Employer Identification Number

95-██████████

**Note:** In most cases, the corporation **does not** need to file Form 2220. (See Part I below for exceptions.) The IRS will figure any penalty owed and bill the corporation. If the corporation does not need to file Form 2220, it may still use it to figure the penalty. Enter the amount from line 36 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

**Part I Reasons for Filing** — Check the boxes below that apply to the corporation. If any boxes are checked, the corporation must file Form 2220, even if it does not owe the penalty. If the box on line 1 or line 2 applies, the corporation may be able to lower or eliminate the penalty.

- 1 ☐ The corporation is using the annualized income installment method.  
 2 ☐ The corporation is using the adjusted seasonal installment method.  
 3 ☐ The corporation is a 'large corporation' figuring its first required installment based on the prior year's tax.

**Note:** The corporation also must file Form 2220 if it has a suspended research credit allowed for the current year (see the instructions for line 4) or it is an indirectly affected taxpayer (see instructions).

**Part II Figuring the Underpayment**

4	Total tax (see instructions).....	4	2,001.			
5a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 4.....	5a				
5b	Look-back interest included on line 4 under Section 460(b)(2) for completed long-term contracts or Section 167(g) for depreciation under the income forecast method.....	5b				
5c	Credit for federal tax paid on fuels (see instructions).....	5c				
5d	Total. Add lines 5a through 5c.....	5d				
6	Subtract line 5d from line 4. If the result is less than \$500, <b>do not</b> complete or file this form. The corporation does not owe the penalty.....	6	2,001.			
7	Enter the tax shown on the corporation's 2000 income tax return. <b>Caution:</b> See instructions before completing this line.....	7				
8	Enter the <b>smaller</b> of line 6 or line 7. If the corporation must skip line 7, enter the amount from line 6.....	8	2,001.			
9	Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year. <b>Exception:</b> Enter October 1, 2001, instead of September 15, 2001.....	(a)	(b)	(c)	(d)	
9	4/15/01	6/15/01	10/01/01	12/15/01		
10	Required installments. If the box on line 1 and/or line 2 above is checked, enter the amounts from Schedule A, line 40. If the box on line 3 (but not 1 or 2) is checked, see the instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 8 above in each column.....	10	500.	500.	500.	501.
11	Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15.....	11				
12	Enter amount, if any, from line 18 of the preceding column.....	12				
13	Add lines 11 and 12.....	13				
14	Add amounts on lines 16 and 17 of the preceding column.....	14		500.	1,000.	1,500.
15	Subtract line 14 from line 13. If zero or less, enter -0-.....	15	0.	0.	0.	0.
16	If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-.....	16		500.	1,000.	
17	<b>Underpayment.</b> If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18.....	17	500.	500.	500.	501.
18	<b>Overpayment.</b> If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column.....	18				

**Complete Part III on page 2 to figure the penalty. If there are no entries on line 17, no penalty is owed.**

BAA For paperwork reduction act notice, see separate instructions.

Form **2220** (2001)

**Part III Figuring the Penalty**

	(a)	(b)	(c)	(d)
<b>19</b> Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). <i>(Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)</i> .....	19 3/15/02	3/15/02	3/15/02	3/15/02
<b>20</b> Number of days from due date of installment on line 9 to the date shown on line 19.....	20 334	273	165	90
<b>21</b> Number of days on line 20 after 4/15/2001 and before 7/1/2001.....	21 76	15		
<b>22</b> Underpayment on line 17 $\times \frac{\text{Number of days on line 21}}{365} \times 8\%$ .....	22 8.33	1.64		
<b>23</b> Number of days on line 20 after 6/30/2001 and before 1/1/2002.....	23 184	184	91	16
<b>24</b> Underpayment on line 17 $\times \frac{\text{Number of days on line 23}}{365} \times 7\%$ .....	24 17.64	17.64	8.73	1.54
<b>25</b> Number of days on line 20 after 12/31/2001 and before 4/1/2002.....	25 74	74	74	74
<b>26</b> Underpayment on line 17 $\times \frac{\text{Number of days on line 25}}{365} \times 6\%$ .....	26 6.08	6.08	6.08	6.09
<b>27</b> Number of days on line 20 after 3/31/2002 and before 7/1/2002.....	27			
<b>28</b> Underpayment on line 17 $\times \frac{\text{Number of days on line 27}}{365} \times \%$ .....	28			
<b>29</b> Number of days on line 20 after 6/30/2002 and before 10/1/2002.....	29			
<b>30</b> Underpayment on line 17 $\times \frac{\text{Number of days on line 29}}{365} \times \%$ .....	30			
<b>31</b> Number of days on line 20 after 9/30/2002 and before 1/1/2003.....	31			
<b>32</b> Underpayment on line 17 $\times \frac{\text{Number of days on line 31}}{365} \times \%$ .....	32			
<b>33</b> Number of days on line 20 after 12/31/2002 and before 2/16/2003.....	33			
<b>34</b> Underpayment on line 17 $\times \frac{\text{Number of days on line 33}}{365} \times \%$ .....	34			
<b>35</b> Add lines 22, 24, 26, 28, 30, 32, and 34.....	35 32.05	25.36	14.81	7.63
<b>36</b> <b>Penalty.</b> Add columns (a) through (d), of line 35. Enter the total here and on Form 1120, line 33; Form 1120-A, line 29; or the comparable line for other income tax returns.....			36	80.

**\*For underpayments paid after March 31, 2002:** For lines 28, 30, 32, and 34, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS web site at [www.irs.gov](http://www.irs.gov). You can also call 1-800-829-1040 to get interest rate information.

**Depreciation and Amortization**  
**(Including Information on Listed Property)**  
See separate instructions.  
Attach to your tax return.

OMB No. 1545-0172

**2001**  
**67**

Name(s) Shown on Return  
**MATRIX CAPITAL ASSOCIATES, INC.**

Identifying Number  
**95- [REDACTED]**

Business or Activity to Which This Form Relates

**FORM 1120**

**Part I Election to Expense Certain Tangible Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See instructions for a higher limit for certain businesses.	1	\$24,000.
2	Total cost of Section 179 property placed in service (see instructions)	2	
3	Threshold cost of Section 179 property before reduction in limitation	3	\$200,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2000 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs.)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2002. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

14	Special depreciation allowance for certain property (other than listed property) acquired after September 10, 2001 (see instructions)	14	
15	Property subject to Section 168(f)(1) election (see instructions)	15	
16	Other depreciation (including ACRS) (see instructions)	16	

**Part III MACRS Depreciation (Do not include listed property.) (See instructions)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2001	17	
18	If you are electing under Section 168(f)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here		

**Section B — Assets Placed in Service During 2001 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

**Section C — Assets Placed in Service During 2001 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

**Part IV Summary (See instructions)**

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions.	22	
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to Section 263A costs	23	



2001

## FEDERAL STATEMENTS

PAGE 1

MATRIX CAPITAL ASSOCIATES, INC.

95-

STATEMENT 1  
FORM 1120, LINE 26  
OTHER DEDUCTIONS

ACCOUNTING.....	\$	3,036.
AUTO AND TRUCK.....		15,843.
BANK CHARGES.....		51.
CLIENT MATERIALS.....		5,700.
DUES AND SUBSCRIPTIONS.....		2,335.
GIFTS.....		832.
INSURANCE.....		7,447.
LEGAL AND PROFESSIONAL.....		16,848.
MEALS AND ENTERTAINMENT.....		790.
MISCELLANEOUS.....		788.
OFFICE EXPENSE.....		29,600.
POSTAGE.....		136.
PRINTING.....		93.
PROFESSIONAL DEVELOPMENT.....		309.
RESEARCH.....		904.
STORAGE.....		397.
TELEPHONE.....		2,973.
TRAVEL.....		16,365.
UTILITIES.....		2,151.
TOTAL	\$	<u>106,598.</u>

STATEMENT 2  
FORM 1120, LINE 29A  
NET OPERATING LOSS DEDUCTION

CARRYOVER GENERATED FROM YEAR END	12/31/94	\$	11,382.
AMOUNT UTILIZED IN		733.	
TOTAL UTILIZATION		\$	<u>733.</u>
AVAILABLE FOR CARRYOVER TO 2001.....			10,649.
CARRYOVER GENERATED FROM YEAR END	12/31/95	\$	19,717.
AVAILABLE FOR CARRYOVER TO 2001.....			19,717.
CARRYOVER GENERATED FROM YEAR END	12/31/96	\$	20,402.
AVAILABLE FOR CARRYOVER TO 2001.....			20,402.
CARRYOVER GENERATED FROM YEAR END	12/31/97	\$	6,150.
AVAILABLE FOR CARRYOVER TO 2001.....			6,150.
CARRYOVER GENERATED FROM YEAR END	12/31/98	\$	8,079.
AVAILABLE FOR CARRYOVER TO 2001.....			8,079.

2001

## FEDERAL STATEMENTS

PAGE 2

MATRIX CAPITAL ASSOCIATES, INC.

95-[REDACTED]**STATEMENT 2 (CONTINUED)**  
**FORM 1120, LINE 29A**  
**NET OPERATING LOSS DEDUCTION**

CARRYOVER GENERATED FROM YEAR END	12/31/99	\$	5,559.	
AVAILABLE FOR CARRYOVER TO 2001				5,559.
CARRYOVER GENERATED FROM YEAR END	12/31/00	\$	16,286.	
AVAILABLE FOR CARRYOVER TO 2001				16,286.
TOTAL NET OPERATING LOSS DEDUCTION			\$	<u>86,842.</u>

**STATEMENT 3**  
**FORM 1120, SCHEDULE K, LINE 5**  
**50% OR MORE OWNERS**

NAME	:	L. WAYNE GERTMENIAN
ID NUMBER	:	<span style="background-color: black; color: black;">[REDACTED]</span>
PERCENTAGE OWNED	:	100.00%

**STATEMENT 4**  
**FORM 1120, SCHEDULE M-1, LINE 5**  
**BOOK EXPENSES NOT DEDUCTED**

OFFICERS LIFE INSURANCE PREMIUMS		\$	3,367.
TOTAL		\$	<u>3,367.</u>

TAB 55

Form **1120** U.S. Corporation Income Tax Return **2002**  
 Instructions are separate. See instructions for Paperwork Reduction Act Notice.

IRS use only — Do not write or staple in this space.

OMB No. 1545-0123

For calendar year 2002 or tax year beginning

, 2002, ending

**A Check if a:**

- 1 Consolidated return (attach Form 851) ☐  
 2 Personal holding company (attach Schedule PH) ☐  
 3 Personal service corp (as defined in Regs section 1.441-3(c) — see instructions) ☒

Use IRS label. Otherwise, print or type.

MATRIX CAPITAL ASSOCIATES, INC.  
 4 HIDDEN VALLEY ROAD  
 MONROVIA, CA 91016

**B Employer identification number**

95-██████████

**C Date incorporated**

8/23/1982

**D Total assets (see instructions)**

\$ 106,994.

**E Check applicable boxes:**

(1) Initial return (2) Final return (3) Name change (4) Address change

**INCOME**

1 a Gross receipts or sales	318,560.	b Less returns & allowances		c Balance	318,560.
2 Cost of goods sold (Schedule A, line 8)					
3 Gross profit. Subtract line 2 from line 1c					318,560.
4 Dividends (Schedule C, line 19)					
5 Interest					
6 Gross rents					
7 Gross royalties					
8 Capital gain net income (attach Schedule D (Form 1120))					
9 Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)					
10 Other income (see instructions — attach schedule)					
11 <b>Total income.</b> Add lines 3 through 10					318,560.

**DEDUCTIONS**

12 Compensation of officers (Schedule E, line 4)					
13 Salaries and wages (less employment credits)					30,972.
14 Repairs and maintenance					
15 Bad debts					6,850.
16 Rents					9,653.
17 Taxes and licenses					
18 Interest					
19 Charitable contributions (see instructions for 10% limitation)					
20 Depreciation (attach Form 4562)	20				
21 Less depreciation claimed on Schedule A and elsewhere on return	21 a			21 b	
22 Depletion					
23 Advertising					
24 Pension, profit-sharing, etc. plans					
25 Employee benefit programs					
26 Other deductions (attach schedule)					SEE STATEMENT 1
27 <b>Total deductions.</b> Add lines 12 through 26					321,529.
28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11					369,004.
29 <b>Less:</b> a Net operating loss (NOL) deduction (see instructions)	29 a			29 c	
b Special deductions (Schedule C, line 20)	29 b				
30 <b>Taxable income.</b> Subtract line 29c from line 28					-50,444.

**TAX AND PAYMENTS**

31 <b>Total tax</b> (Schedule J, line 11)					0.
32 <b>Payments:</b> a 2001 overpayment credited to 2002	32 a				
b 2002 estimated tax payments	32 b				
c Less 2002 refund applied for on Form 4466	32 c			d Bal	0.
e Tax deposited with Form 7004	32 e				
f Credit for tax paid on undistributed capital gains (attach Form 2439)	32 f				
g Credit for federal tax on fuels (attach Form 4136). See instructions	32 g			32 h	0.
33 Estimated tax penalty (see instructions). Check if Form 2220 is attached				33	
34 <b>Tax due.</b> If line 32h is smaller than the total of lines 31 and 33, enter amount owed				34	0.
35 <b>Overpayment.</b> If line 32h is larger than the total of lines 31 and 33, enter amount overpaid				35	
36 Enter amount of line 35 you want: Credited to 2003 estimated tax				Refunded	36

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Title

May the IRS discuss this return with the preparer shown below? (see inst)

☒ Yes ☐ No

**Paid Preparer's Use Only**

Preparer's signature

Date

Check if self-employed ☐

Preparer's SSN or PTIN

Firm's Name (or yours if self-employed), address, and ZIP Code

PIAZZA, DONNELLY & MARLETTE  
 3460 TORRANCE BLVD., SUITE 150  
 TORRANCE, CA 90503

EIN

Phone No. (310) 540-4118

**Schedule A Cost of Goods Sold** (see instructions)

1	Inventory at beginning of year	1
2	Purchases	2
3	Cost of labor	3
4	Additional Section 263A costs (attach schedule)	4
5	Other costs (attach schedule)	5
6	<b>Total.</b> Add lines 1 through 5	6
7	Inventory at end of year	7
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on line 2, page 1	8

9a Check all methods used for valuing closing inventory:

- (i) ☐ Cost as described in Regulations section 1.471-3  
(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4  
(iii) ☐ Other (specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c).

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970).

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☐ Yes ☐ Nof Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation. ☐ Yes ☐ No**Schedule C Dividends and Special Deductions** (see instructions)

	(a) Dividends received	(b) Percentage	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations (section 246A)	SEE INSTR.	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction	80	
8	Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))	100	
9	<b>Total.</b> Add lines 1 through 8. See instructions for limitation		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from certain FSCs that are subject to the 100% deduction (sec 245(c)(1))	100	
12	Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3))	100	
13	Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up (section 78)		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	<b>Total dividends.</b> Add lines 1 through 17. Enter here and on line 4, page 1		
20	<b>Total special deductions.</b> Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1		

**Schedule E Compensation of Officers** (see instructions for line 12, page 1)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

1	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
2	Total compensation of officers					
3	Compensation of officers claimed on Schedule A and elsewhere on return					
4	Subtract line 3 from line 2. Enter the result here and on line 12, page 1					

**Schedule J Tax Computation** (see instructions)

<b>1</b> Check if the corporation is a member of a controlled group (see sections 1561 and 1563). <input type="checkbox"/>		
<b>Important:</b> Members of a controlled group, see instructions.		
<b>2a</b> If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, & \$9,925,000 taxable income brackets (in that order):		
(1) \$	(2) \$	(3) \$
<b>b</b> Enter the corporation's share of: (1) Additional 5% tax (not more than \$11,750) \$		
(2) Additional 3% tax (not more than \$100,000) \$		
<b>3</b> Income tax. Check if a qualified personal service corporation under section 448(d)(2) (see instructions) <input checked="" type="checkbox"/>		<b>3</b> 0.
<b>4</b> Alternative minimum tax (attach Form 4626)		<b>4</b>
<b>5</b> Add lines 3 and 4		<b>5</b> 0.
<b>6a</b> Foreign tax credit (attach Form 1118)		<b>6a</b>
<b>b</b> Possessions tax credit (attach Form 5735)		<b>6b</b>
<b>c</b> Check: <input type="checkbox"/> Nonconventional source fuel credit <input type="checkbox"/> QEV credit (attach Form 8834)		<b>6c</b>
<b>d</b> General business credit. Check box(es) and indicate which forms are attached. <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) _____		<b>6d</b>
<b>e</b> Credit for prior year minimum tax (attach Form 8827)		<b>6e</b>
<b>f</b> Qualified zone academy bond credit (attach Form 8860)		<b>6f</b>
<b>7</b> Total credits. Add lines 6a through 6f		<b>7</b>
<b>8</b> Subtract line 7 from line 5		<b>8</b>
<b>9</b> Personal holding company tax (attach Schedule PH (Form 1120))		<b>9</b>
<b>10</b> Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)		<b>10</b>
<b>11</b> Total tax. Add lines 8 through 10. Enter here and on line 31, page 1.		<b>11</b> 0.

**Schedule K Other Information** (see instructions)

	Yes	No		Yes	No
<b>1</b> Check method of accounting:			<b>7</b> At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation? <input checked="" type="checkbox"/>		
a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual			If 'Yes,' enter: (a) Percentage owned _____ and (b) Owner's country _____		
c <input type="checkbox"/> Other (specify) _____			<b>c</b> The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached _____		
<b>2</b> See the instructions and enter the:			<b>8</b> Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/>		
a Business activity code no. <b>523140</b>			If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
b Business activity <b>INVESTMENTS</b>			<b>9</b> Enter the amount of tax-exempt interest received or accrued during the tax year. \$ <b>NONE</b>		
c Product or service <b>INVESTMENT COUNSEL</b>			<b>10</b> Enter the number of shareholders at the end of the tax year (if 75 or fewer) <b>1</b>		
<b>3</b> At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) <input checked="" type="checkbox"/>			<b>11</b> If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input checked="" type="checkbox"/>		
If 'Yes,' attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.			If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3)(i) or (ii) must be attached or the election will not be valid.		
<b>4</b> Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? <input checked="" type="checkbox"/>			<b>12</b> Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) \$ <b>NONE</b>		
If 'Yes,' enter name and EIN of the parent corporation _____			<b>13</b> Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? <input checked="" type="checkbox"/>		
<b>5</b> At the end of the tax year, did any individual, partnership, corporation, estate or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) <input checked="" type="checkbox"/>			If 'Yes,' the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. \$ _____		
If 'Yes,' attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.)					
Enter % owned <b>100.%</b>					
<b>6</b> During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) <input checked="" type="checkbox"/>					
If 'Yes,' file Form 5452, Corporate Report of Nondividend Distributions.					
If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.					

**Note:** If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120), Foreign Operations of U.S. Corporations**, to this return. See **Schedule N** for details.

Note: The corporation is not required to complete Schedules L, M-1 and M-2 if Question 13 on Schedule K is answered 'Yes.'

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash .....		108,044.		106,994.
2a	Trade notes and accounts receivable .....				
b	Less allowance for bad debts .....				
3	Inventories .....				
4	U.S. government obligations .....				
5	Tax-exempt securities (see instructions) .....				
6	Other current assets (attach schedule) .....				
7	Loans to shareholders .....				
8	Mortgage and real estate loans .....				
9	Other investments (attach schedule) .....				
10a	Buildings and other depreciable assets .....	4,568.		4,568.	
b	Less accumulated depreciation .....	4,568.		4,568.	
11a	Depletable assets .....				
b	Less accumulated depletion .....				
12	Land (net of any amortization) .....				
13a	Intangible assets (amortizable only) .....				
b	Less accumulated amortization .....				
14	Other assets (attach schedule) .....				
15	Total assets .....		108,044.		106,994.
<b>Liabilities and Shareholders' Equity</b>					
16	Accounts payable .....				
17	Mortgages, notes, bonds payable in less than 1 year .....				
18	Other current liabilities (attach sch.) .....				
19	Loans from shareholders .....		110,171.		186,849.
20	Mortgages, notes, bonds payable in 1 year or more .....				
21	Other liabilities (attach schedule) .....				
22	Capital stock: a Preferred stock .....				
b	Common stock .....	5,000.	5,000.	5,000.	5,000.
23	Additional paid-in capital .....				
24	Retained earnings — Approp (att sch.) .....				
25	Retained earnings — Unappropriated .....		-7,127.		-84,855.
26	Adjmnt to shareholders' equity (att sch.) .....				
27	Less cost of treasury stock .....				
28	Total liabilities and shareholders' equity .....		108,044.		106,994.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (see instructions)**

1	Net income (loss) per books .....	-77,728.	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books .....	2,081.		Tax-exempt interest \$ .....	
3	Excess of capital losses over capital gains .....				
4	Income subject to tax not recorded on books this year (itemize):				
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation .....	\$ .....	a	Depreciation .....	\$ .....
b	Charitable contributions .....	\$ .....	b	Charitable contribns .....	\$ .....
c	Travel & entertainment .....	\$ 22,460.			
STATEMENT 3		2,743.			
		25,203.	9	Add lines 7 and 8 .....	0.
6	Add lines 1 through 5 .....	-50,444.	10	Income (line 28, page 1) — line 6 less line 9 .....	-50,444.

**Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)**

1	Balance at beginning of year .....	-7,127.	5	Distributions .....	a Cash .....
2	Net income (loss) per books .....	-77,728.	b	Stock .....	c Property .....
3	Other increases (itemize):		6	Other decreases (itemize):	
			7	Add lines 5 and 6 .....	
4	Add lines 1, 2, and 3 .....	-84,855.	8	Balance at end of year (line 4 less line 7) .....	-84,855.

Form **4562**Department of the Treasury  
Internal Revenue Service**Depreciation and Amortization**  
**(Including Information on Listed Property)**  
▶ See separate instructions.  
▶ Attach to your tax return.

OMB No. 1545-0172

**2002**

67

Name(s) shown on return

**MATRIX CAPITAL ASSOCIATES, INC.**

Identifying number

95-

Business or activity to which this form relates

**FORM 1120****Part I Election To Expense Certain Tangible Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See instructions for a higher limit for certain businesses	1	\$24,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2001 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2003. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election (see instructions)	15	
16	Other depreciation (including ACRS) (see instructions)	16	

**Part III MACRS Depreciation (Do not include listed property.) (See instructions)****Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2002	17	
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here		

**Section B — Assets Placed in Service During 2002 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

**Section C — Assets Placed in Service During 2002 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

**Part IV Summary (see instructions)**

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions	22	
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

BAA For Paperwork Reduction Act Notice, see Instructions.

FD120812L 12/12/02

Form 4562 (2002)



2002

## FEDERAL STATEMENTS

PAGE 1

MATRIX CAPITAL ASSOCIATES, INC.

95- [REDACTED]

STATEMENT 1  
FORM 1120, LINE 26  
OTHER DEDUCTIONS

ACCOUNTING .....	\$	21,009.
AUTO AND TRUCK .....		35,943.
BANK CHARGES .....		112.
DUES AND SUBSCRIPTIONS .....		1,519.
GIFTS .....		3,715.
INSURANCE .....		11,672.
LEGAL AND PROFESSIONAL .....		99,462.
MEALS AND ENTERTAINMENT .....		22,460.
MEDICAL EXPENSES .....		9,585.
MISCELLANEOUS .....		120.
OFFICE EXPENSE .....		24,000.
POSTAGE .....		117.
PRINTING .....		119.
PROFESSIONAL DEVELOPMENT .....		16,131.
STORAGE .....		560.
TELEPHONE .....		5,980.
TRAVEL .....		65,201.
UTILITIES .....		3,824.
TOTAL	\$	<u>321,529.</u>

STATEMENT 2  
FORM 1120, SCHEDULE K, LINE 5  
50% OR MORE OWNERS

NAME : L. WAYNE GERTMENIAN  
ID NUMBER : [REDACTED]  
PERCENTAGE OWNED : 100.00%

STATEMENT 3  
FORM 1120, SCHEDULE M-1, LINE 5  
BOOK EXPENSES NOT DEDUCTED

OFFICER LIFE INSURANCE PREMIUMS .....	\$	2,735.
PENALTIES .....		8.
TOTAL	\$	<u>2,743.</u>

TAB 56

**U.S. Corporation Income Tax Return**  
For calendar year 2003 or tax year beginning \_\_\_\_\_, 2003, ending \_\_\_\_\_  
► Instructions are separate. See Instructions for Paperwork Reduction Act Notice.

OMB No. 1545-0123  
**2003**

<b>A Check if a:</b> 1 Consolidated return (attach Form 851) <input type="checkbox"/> 2 Personal holding company (attach Schedule PH) <input type="checkbox"/> 3 Personal service corp (as defined in Regs section 1.441-3(c) — see instructions) <input checked="" type="checkbox"/>	<b>Use IRS label. Otherwise, print or type.</b>  MATRIX CAPITAL ASSOCIATES, INC. 4 HIDDEN VALLEY ROAD MONROVIA, CA 91016	<b>B Employer identification number</b> 95- <span style="background-color: black; color: black;">XXXXXXXXXX</span>	<b>C Date incorporated</b> 8/23/1982	<b>D Total assets (see instructions)</b> \$ 72,313.
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E Check applicable boxes:		(1) Initial return	(2)	(3) Final return	(4) Name change	(5) Address change	\$
							72,313.

  

<b>I N C O M E</b>	1 a Gross receipts or sales	508,319.	b Less returns & allowances	25.	c Balance	1c	508,294.
	2 Cost of goods sold (Schedule A, line 8)					2	
	3 Gross profit. Subtract line 2 from line 1c					3	508,294.
	4 Dividends (Schedule C, line 19)					4	
	5 Interest					5	
	6 Gross rents					6	
	7 Gross royalties					7	
	8 Capital gain net income (attach Schedule D (Form 1120))					8	
	9 Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)					9	
	10 Other income (see instructions — attach schedule)					10	
	11 <b>Total income.</b> Add lines 3 through 10					11	508,294.
<b>D E D U C T I O N S  S E E  I N S T R U C T I O N S</b>	12 Compensation of officers (Schedule E, line 4)					12	
	13 Salaries and wages (less employment credits)					13	
	14 Repairs and maintenance					14	12,524.
	15 Bad debts					15	
	16 Rents					16	44,543.
	17 Taxes and licenses					17	5,833.
	18 Interest					18	
	19 Charitable contributions (see instructions for 10% limitation)					19	0.
	20 Depreciation (attach Form 4562)			20	128.		
	21 Less depreciation claimed on Schedule A and elsewhere on return		21 a			21 b	128.
	22 Depletion					22	
	23 Advertising					23	
	24 Pension, profit-sharing, etc. plans					24	
	25 Employee benefit programs					25	
	26 Other deductions (attach schedule)				SEE STATEMENT 1	26	418,343.
	27 <b>Total deductions.</b> Add lines 12 through 26					27	481,371.
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11					28	26,923.
	29 <b>Less:</b> a Net operating loss (NOL) deduction (see instructions)		29 a	26,923.		29 b	
b Special deductions (Schedule C, line 20)					29 c	26,923.	
<b>T A X  A N D  P A Y M E N T S</b>	30 <b>Taxable income.</b> Subtract line 29c from line 28					30	0.
	31 <b>Total tax</b> (Schedule J, line 11)					31	0.
	32 <b>Payments:</b> a 2002 overpayment credited to 2003	32 a					
	b 2003 estimated tax payments	32 b					
	c Less 2003 refund applied for on Form 4466	32 c					
	d Balance	32 d		0.			
	e Tax deposited with Form 7004	32 e					
	f Credit for tax paid on undistributed capital gains (attach Form 2439)	32 f					
g Credit for federal tax on fuels (attach Form 4136). See instructions	32 g				32 h	0.	
33 Estimated tax penalty (see instructions). Check if Form 2220 is attached					33		
34 <b>Tax due.</b> If line 32h is smaller than the total of lines 31 and 33, enter amount owed					34	0.	
35 <b>Overpayment.</b> If line 32h is larger than the total of lines 31 and 33, enter amount overpaid					35		
36 Enter amount of line 35 you want: Credited to 2004 estimated tax					36		

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_

May the IRS discuss this return with the preparer shown below? (see inst) ☒ Yes ☐ No

<b>Paid Preparer's Use Only</b>	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's Name (or yours if self-employed), address, and ZIP Code	PIAZZA, DONNELLY & MARLETTE 3460 TORRANCE BLVD., SUITE 150 TORRANCE, CA 90503		EIN <span style="background-color: black; color: black;">XXXXXXXXXX</span> Phone No. (310) 540-4118

**Schedule A Cost of Goods Sold** (see instructions)

1	Inventory at beginning of year	1
2	Purchases	2
3	Cost of labor	3
4	Additional Section 263A costs (attach schedule)	4
5	Other costs (attach schedule)	5
6	Total. Add lines 1 through 5	6
7	Inventory at end of year	7
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on line 2, page 1	8

9a Check all methods used for valuing closing inventory:

- (i) ☐ Cost as described in Regulations section 1.471-3  
(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4  
(iii) ☐ Other (specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c).

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970).

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☐ Yes ☐ Nof Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation. ☐ Yes ☐ No**Schedule C Dividends and Special Deductions** (see instructions)

	(a) Dividends received	(b) Percentage	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations (section 246A)	SEE INSTR.	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction	80	
8	Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))	100	
9	Total. Add lines 1 through 8. See instructions for limitation		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from certain FSCs that are subject to the 100% deduction (sec 245(c)(1))	100	
12	Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3))	100	
13	Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up (section 78)		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1		

**Schedule E Compensation of Officers** (see instructions for line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

1	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
2	Total compensation of officers					
3	Compensation of officers claimed on Schedule A and elsewhere on return					
4	Subtract line 3 from line 2. Enter the result here and on line 12, page 1					

**Schedule J Tax Computation** (see instructions)

1 Check if the corporation is a member of a controlled group (see sections 1561 and 1563). ☐

**Important:** Members of a controlled group, see instructions.

2a If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, & \$9,925,000 taxable income brackets (in that order):

(1) \$ (2) \$ (3) \$

b Enter the corporation's share of: (1) Additional 5% tax (not more than \$11,750). \$ (2) Additional 3% tax (not more than \$100,000). \$

3 Income tax. Check if a qualified personal service corporation under section 448(d)(2) (see instructions). ☒ 3 0.

4 Alternative minimum tax (attach Form 4626). 4

5 Add lines 3 and 4. 5 0.

6a Foreign tax credit (attach Form 1118). 6a

b Possessions tax credit (attach Form 5735). 6b

c Check: ☐ Nonconventional source fuel credit ☐ QEV credit (attach Form 8834). 6c

d General business credit. Check box(es) and indicate which forms are attached. 6d

☐ Form 3800 ☐ Form(s) (specify). 6e

e Credit for prior year minimum tax (attach Form 8827). 6f

f Qualified zone academy bond credit (attach Form 8860). 7

7 Total credits. Add lines 6a through 6f. 8

8 Subtract line 7 from line 5. 9

9 Personal holding company tax (attach Schedule PH (Form 1120)). 10

10 Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697 11

☐ Form 8866 ☐ Other (attach schedule). 0.

11 Total tax. Add lines 8 through 10. Enter here and on line 31, page 1. 0.

**Schedule K Other Information** (see instructions)

	Yes	No
1 Check method of accounting:		
a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual		
c <input type="checkbox"/> Other (specify) _____		
2 See the instructions and enter the:		
a Business activity code no. <u>523140</u>		
b Business activity <u>INVESTMENTS</u>		
c Product or service <u>INVESTMENT COUNSEL</u>		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) <input checked="" type="checkbox"/>		
If 'Yes,' attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.		
4 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? <input checked="" type="checkbox"/>		
If 'Yes,' enter name and EIN of the parent corporation _____		
5 At the end of the tax year, did any individual, partnership, corporation, estate or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) <input checked="" type="checkbox"/>		
If 'Yes,' attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.)		
Enter % owned <u>100%</u>		
6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) <input checked="" type="checkbox"/>		
If 'Yes,' file Form 5452, Corporate Report of Nondividend Distributions.		
If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.		
7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation? <input checked="" type="checkbox"/>		
If 'Yes,' enter: (a) Percentage owned _____ and (b) Owner's country _____		
c The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached _____		
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/>		
If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
9 Enter the amount of tax-exempt interest received or accrued during the tax year. \$ <u>NONE</u>		
10 Enter the number of shareholders at the end of the tax year (if 75 or fewer). <u>1</u>		
11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input type="checkbox"/>		
If the corporation is filing a consolidated return, the statement required by Temporary Regulations section 1.1502-21(b)(3)(i) or (ii) must be attached or the election will not be valid.		
12 Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) \$ <u>50,444</u>		
13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? <input checked="" type="checkbox"/>		
If 'Yes,' the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. \$ _____		

**Note:** If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120), Foreign Operations of U.S. Corporations**, to this return. See Schedule N for details.

Note: The corporation is not required to complete Schedules L, M-1 and M-2 if Question 13 on Schedule K is answered 'Yes.'

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
<b>Assets</b>					
1	Cash .....		106,994.		62,829.
2a	Trade notes and accounts receivable .....				
b	Less allowance for bad debts .....				
3	Inventories .....				
4	U.S. government obligations .....				
5	Tax-exempt securities (see instructions) .....				
6	Other current assets (attach schedule) .....				
7	Loans to shareholders .....				
8	Mortgage and real estate loans .....				
9	Other investments (attach schedule) .....				
10a	Buildings and other depreciable assets .....	4,568.		14,180.	
b	Less accumulated depreciation .....	4,568.		4,696.	9,484.
11a	Depletable assets .....				
b	Less accumulated depletion .....				
12	Land (net of any amortization) .....				
13a	Intangible assets (amortizable only) .....				
b	Less accumulated amortization .....				
14	Other assets (attach schedule) .....				
15	<b>Total assets</b> .....		106,994.		72,313.
<b>Liabilities and Shareholders' Equity</b>					
16	Accounts payable .....				
17	Mortgages, notes, bonds payable in less than 1 year .....				
18	Other current liabilities (attach sch.) .....				
19	Loans from shareholders .....		186,849.		137,165.
20	Mortgages, notes, bonds payable in 1 year or more .....				
21	Other liabilities (attach schedule) .....				
22	Capital stock: a Preferred stock .....				
	b Common stock .....	5,000.	5,000.	5,000.	5,000.
23	Additional paid-in capital .....				
24	Retained earnings — Approp (att sch.) .....				
25	Retained earnings — Unappropriated .....		-84,855.		-69,852.
26	Adjmnt to shareholders' equity (att sch.) .....				
27	Less cost of treasury stock .....				
28	<b>Total liabilities and shareholders' equity</b> .....		106,994.		72,313.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (see instructions)			
1	Net income (loss) per books .....	15,003.	
2	Federal income tax per books .....		
3	Excess of capital losses over capital gains .....		
4	Income subject to tax not recorded on books this year (itemize):		
5	Expenses recorded on books this year not deducted on this return (itemize):		
a	Depreciation .....	\$	
b	Charitable contributions .....	\$ 4,740.	
c	Travel & entertainment .....	\$ 4,445.	
STATEMENT 4		2,735.	
		11,920.	
6	Add lines 1 through 5 .....	26,923.	
7	Income recorded on books this year not included on this return (itemize):		
	Tax-exempt interest \$ .....		
8	Deductions on this return not charged against book income this year (itemize):		
a	Depreciation .....	\$	
b	Charitable contribns \$ .....		
9	Add lines 7 and 8 .....	0.	
10	Income (line 28, page 1) — line 6 less line 9 .....	26,923.	

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)			
1	Balance at beginning of year .....	-84,855.	
2	Net income (loss) per books .....	15,003.	
3	Other increases (itemize):		
		-69,852.	
4	Add lines 1, 2, and 3 .....		
5	Distributions .....	a Cash .....	
	b Stock .....	c Property .....	
6	Other decreases (itemize):		
7	Add lines 5 and 6 .....		
8	Balance at end of year (line 4 less line 7) .....	-69,852.	

Form **4562**Department of the Treasury  
Internal Revenue Service**Depreciation and Amortization**  
(Including Information on Listed Property)  
▶ See separate instructions.  
▶ Attach to your tax return.

OMB No. 1545-0172

**2003**  
**67**

Name(s) shown on return

**MATRIX CAPITAL ASSOCIATES, INC.**

Business or activity to which this form relates

**FORM 1120****Part I Election To Expense Certain Property Under Section 179**  
Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See instructions for a higher limit for certain businesses .....	1	\$100,000.
2	Total cost of section 179 property placed in service (see instructions) .....	2	
3	Threshold cost of section 179 property before reduction in limitation .....	3	\$400,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- .....	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions .....	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29 .....	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 .....	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8 .....	9	
10	Carryover of disallowed deduction from line 13 of your 2002 Form 4562 .....	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs) .....	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 .....	12	
13	Carryover of disallowed deduction to 2004. Add lines 9 and 10, less line 12 .....	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) .....	14	
15	Property subject to section 168(f)(1) election (see instructions) .....	15	
16	Other depreciation (including ACRS) (see instructions) .....	16	

**Part III MACRS Depreciation (Do not include listed property.) (See instructions)****Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2003 .....	17	
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here .....		

**Section B — Assets Placed in Service During 2003 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property .....						
b 5-year property .....						
c 7-year property .....						
d 10-year property .....						
e 15-year property .....						
f 20-year property .....			25 yrs		S/L	
g 25-year property .....			27.5 yrs	MM	S/L	
h Residential rental property .....			27.5 yrs	MM	S/L	
i Nonresidential real property .....	VARIOUS	9,612.	39 yrs	MM	S/L	128.

**Section C — Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
20a Class life .....					S/L	
b 12-year .....			12 yrs		S/L	
c 40-year .....			40 yrs	MM	S/L	

**Part IV Summary (see instructions)**

21	Listed property. Enter amount from line 28 .....	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions .....	22	128.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs .....	23	

BAA For Paperwork Reduction Act Notice, see instructions.

FDZ0812L 10/28/03

Form 4562 (2003)

2003

## FEDERAL STATEMENTS

PAGE 1

MATRIX CAPITAL ASSOCIATES, INC.

95-

STATEMENT 1  
FORM 1120, LINE 26  
OTHER DEDUCTIONS

ACCOUNTING.....	\$ 5,456.
AUTO AND TRUCK.....	23,899.
BANK CHARGES.....	194.
DUES AND SUBSCRIPTIONS.....	1,795.
GIFTS.....	5,660.
INSURANCE.....	11,990.
LEGAL AND PROFESSIONAL.....	152,142.
MEALS AND ENTERTAINMENT.....	4,446.
MEDICAL EXPENSES.....	28,074.
OFFICE EXPENSE.....	39,077.
PRINTING.....	72.
PROFESSIONAL DEVELOPMENT.....	22,051.
RESEARCH.....	1,600.
STORAGE.....	440.
TELEPHONE.....	6,490.
TRAVEL.....	108,789.
UTILITIES.....	6,168.
TOTAL	\$ 418,343.

STATEMENT 2  
FORM 1120, LINE 29A  
NET OPERATING LOSS DEDUCTION

CARRYOVER GENERATED FROM YEAR END 12/31/02	\$ 50,444.
AVAILABLE FOR CARRYOVER TO 2003.....	50,444.
NET OPERATING LOSSES AVAILABLE IN 2003.....	\$ 50,444.
TAXABLE INCOME.....	26,923.
TOTAL NET OPERATING LOSS DEDUCTION (LIMITED TO TAXABLE INCOME).....	26,923.

STATEMENT 3  
FORM 1120, SCHEDULE K, LINE 5  
50% OR MORE OWNERS

NAME : L. WAYNE GERTMENIAN  
ID NUMBER :   
PERCENTAGE OWNED : 100.00%

STATEMENT 4  
FORM 1120, SCHEDULE M-1, LINE 5  
BOOK EXPENSES NOT DEDUCTED

OFFICER LIFE INSURANCE PREMIUMS.....	\$ 2,735.
TOTAL	\$ 2,735.



TAB 57

**U.S. Corporation Income Tax Return**  
For calendar year 2004 or tax year beginning \_\_\_\_\_, 2004, ending \_\_\_\_\_  
▶ See separate instructions.

OMB No. 1545-0123  
**2004**

<b>A Check if:</b> 1 Consolidated return (attach Form 851) <input type="checkbox"/> 2 Personal holding company (attach Schedule PH) <input type="checkbox"/> 3 Personal service corp (see instructions) <input checked="" type="checkbox"/> 4 Schedule M-3 required (attach Sch M-3) <input type="checkbox"/>	<b>Use IRS label. Otherwise, print or type.</b>  <b>MATRIX CAPITAL ASSOCIATES, INC.</b> <b>4 HIDDEN VALLEY ROAD</b> <b>MONROVIA, CA 91016</b>	<b>B Employer identification number</b> <div style="background-color: black; width: 100px; height: 1.2em; margin: 2px 0;"></div> <b>C Date incorporated</b> 8/23/1982 <b>D Total assets (see instructions)</b> \$ 68,124.
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**E Check if:** (1) Initial return (2) Final return (3) Name change (4) Address change

<b>I N C O M E</b>	<b>1 a</b> Gross receipts or sales.	509,669.	<b>b</b> Less returns & allowances.		<b>c</b> Balance.	<b>1 c</b>	509,669.
	<b>2</b> Cost of goods sold (Schedule A, line 8)					<b>2</b>	
	<b>3</b> Gross profit. Subtract line 2 from line 1c					<b>3</b>	509,669.
	<b>4</b> Dividends (Schedule C, line 19)					<b>4</b>	
	<b>5</b> Interest					<b>5</b>	1,122.
	<b>6</b> Gross rents					<b>6</b>	
	<b>7</b> Gross royalties					<b>7</b>	
	<b>8</b> Capital gain net income (attach Schedule D (Form 1120))					<b>8</b>	
	<b>9</b> Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)					<b>9</b>	
	<b>10</b> Other income (see instructions — attach schedule)					<b>10</b>	
	<b>11 Total income.</b> Add lines 3 through 10					<b>11</b>	510,791.

<b>D E D U C T I O N S  S E E  I N S T R U C T I O N S</b>	<b>12</b> Compensation of officers (Schedule E, line 4)		<b>12</b>	
	<b>13</b> Salaries and wages (less employment credits)		<b>13</b>	
	<b>14</b> Repairs and maintenance		<b>14</b>	9,878.
	<b>15</b> Bad debts		<b>15</b>	
	<b>16</b> Rents		<b>16</b>	47,265.
	<b>17</b> Taxes and licenses		<b>17</b>	2,869.
	<b>18</b> Interest		<b>18</b>	117.
	<b>19</b> Charitable contributions (see instructions for 10% limitation)		<b>19</b>	0.
	<b>20</b> Depreciation (attach Form 4562)	<b>20</b>	246.	
	<b>21</b> Less depreciation claimed on Schedule A and elsewhere on return	<b>21 a</b>		<b>21 b</b> 246.
	<b>22</b> Depletion		<b>22</b>	
	<b>23</b> Advertising		<b>23</b>	
	<b>24</b> Pension, profit-sharing, etc, plans		<b>24</b>	
	<b>25</b> Employee benefit programs		<b>25</b>	
<b>26</b> Other deductions (attach schedule)		<b>26</b>	435,508.	
<b>27 Total deductions.</b> Add lines 12 through 26		<b>27</b>	495,883.	
<b>28</b> Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11		<b>28</b>	14,908.	
<b>29 Less:</b> a Net operating loss deduction (see instructions) SEE ST. 2	<b>29 a</b>	14,908.		
b Special deductions (Schedule C, line 20)	<b>29 b</b>		<b>29 c</b> 14,908.	

<b>T A X  A N D  P A Y M E N T S</b>	<b>30</b> Taxable income. Subtract line 29c from line 28 (see instructions if Sch C, line 12, was completed)		<b>30</b>	
	<b>31</b> Total tax (Schedule J, line 11)		<b>31</b>	0.
	<b>32</b> Payments: a 2003 overpayment credited to 2004	<b>32 a</b>		
	b 2004 estimated tax payments	<b>32 b</b>		
	c Less 2004 refund applied for on Form 4466	<b>32 c</b>		<b>d Bal</b> 0.
	e Tax deposited with Form 7004	<b>32 e</b>		
	f Credit for tax paid on undistributed capital gains (attach Form 2439)	<b>32 f</b>		
	g Credit for federal tax on fuels (attach Form 4136). See instructions	<b>32 g</b>		<b>32 h</b> 0.
	<b>33</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached		<b>33</b>	
	<b>34</b> Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed		<b>34</b>	0.
<b>35</b> Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid		<b>35</b>		
<b>36</b> Enter amount of line 35 you want: Credited to 2005 estimated tax		<b>36</b>	Refunded ▶	

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_

May the IRS discuss this return with the preparer shown below? (see inst)  
☒ Yes ☐ No

<b>Paid Preparer's Use Only</b>	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's Name (or yours if self-employed), address, and ZIP code	PIAZZA, DONNELLY & MARLETTE 3460 TORRANCE BLVD., SUITE 150 TORRANCE, CA 90503		
	EIN	[REDACTED]		
Phone no.				(310) 540-4118

**Schedule A Cost of Goods Sold** (see instructions)

1	Inventory at beginning of year	1
2	Purchases	2
3	Cost of labor	3
4	Additional Section 263A costs (attach schedule)	4
5	Other costs (attach schedule)	5
6	<b>Total.</b> Add lines 1 through 5	6
7	Inventory at end of year	7
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on page 1, line 2	8

**9a** Check all methods used for valuing closing inventory:

- (i) ☐ Cost as described in Regulations section 1.471-3  
(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4  
(iii) ☐ Other (specify method used and attach explanation.)

**b** Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c). ☐**c** Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970). ☐**d** If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d** **e** If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☐ Yes ☐ No**f** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation. ☐ Yes ☐ No**Schedule C Dividends and Special Deductions** (see instructions)

	(a) Dividends received	(b) Percentage	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations (section 246A)	SEE INSTR.	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction	80	
8	Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))	100	
9	<b>Total.</b> Add lines 1 through 8. See instructions for limitation		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from affiliated group members and certain FSCs that are subject to the 100% deduction	100	
12	Dividends from controlled foreign corporations subject to the 85% deduction (attach Form 8895)	85	
13	Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up (section 78)		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	<b>Total dividends.</b> Add lines 1 through 17. Enter here and on page 1, line 4		
20	<b>Total special deductions.</b> Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b		

**Schedule E Compensation of Officers** (see instructions for page 1, line 12)**Note:** Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

1	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
2	<b>Total compensation of officers.</b>					
3	<b>Compensation of officers claimed on Schedule A and elsewhere on return</b>					
4	<b>Subtract line 3 from line 2. Enter the result here and on page 1, line 12</b>					

**Schedule J Tax Computation** (see instructions)

1 Check if the corporation is a member of a controlled group (see sections 1561 and 1563)..... <input type="checkbox"/>		
<b>Important:</b> Members of a controlled group, see instructions.		
2a If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, & \$9,925,000 taxable income brackets (in that order):		
(1) \$	(2) \$	(3) \$
b Enter the corporation's share of: (1) Additional 5% tax (not more than \$11,750)..... \$		
(2) Additional 3% tax (not more than \$100,000)..... \$		
3 Income tax. Check if a qualified personal service corporation under section 448(d)(2) (see instructions)..... <input checked="" type="checkbox"/>		3 0.
4 Alternative minimum tax (attach Form 4626).....		4
5 Add lines 3 and 4.....		5 0.
6a Foreign tax credit (attach Form 1118).....		6a
b Possessions tax credit (attach Form 5735).....		6b
c Check: <input type="checkbox"/> Nonconventional source fuel credit <input type="checkbox"/> QEV credit (attach Form 8834).....		6c
d General business credit. Check box(es) and indicate which forms are attached. <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify).....		6d
e Credit for prior year minimum tax (attach Form 8827).....		6e
f Qualified zone academy bond credit (attach Form 8860).....		6f
7 Total credits. Add lines 6a through 6f.....		7
8 Subtract line 7 from line 5.....		8
9 Personal holding company tax (attach Schedule PH (Form 1120)).....		9
10 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule).....		10
11 Total tax. Add lines 8 through 10. Enter here and page 1, line 31.....		11 0.

**Schedule K Other Information** (see instructions)

	Yes	No		Yes	No
1 Check accounting method:			7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation?..... <input checked="" type="checkbox"/>		
a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual			If 'Yes,' enter: (a) Percentage owned..... and (b) Owner's country.....		
c <input type="checkbox"/> Other (specify).....			c The corporation may have to file <b>Form 5472</b> , Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached.....		
2 See the instructions and enter the:			8 Check this box if the corporation issued publicly offered debt instruments with original issue discount..... <input type="checkbox"/>		
a Business activity code no. <u>523140</u>			If checked, the corporation may have to file <b>Form 8281</b> , Information Return for Publicly Offered Original Issue Discount Instruments.		
b Business activity <u>INVESTMENTS</u>			9 Enter the amount of tax-exempt interest received or accrued during the tax year..... <u>NONE</u>		
c Product or service <u>INVESTMENT COUNSEL</u>			10 Enter the number of shareholders at the end of the tax year (if 75 or fewer)..... <u>1</u>		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)..... <input checked="" type="checkbox"/>			11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here..... <input type="checkbox"/>		
If 'Yes,' attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.			If the corporation is filing a consolidated return, the statement required by Temporary Regulations section 1.1502-21T(b)(3)(i) or (ii) must be attached or the election will not be valid.		
4 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?..... <input checked="" type="checkbox"/>			12 Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) \$ <u>26,213.</u>		
If 'Yes,' enter name and EIN of the parent corporation.....			13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000?..... <input checked="" type="checkbox"/>		
5 At the end of the tax year, did any individual, partnership, corporation, estate or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).)..... <input checked="" type="checkbox"/>			If 'Yes,' the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. \$.....		
If 'Yes,' attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.)					
Enter % owned <u>100.%</u>					
6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)..... <input checked="" type="checkbox"/>					
If 'Yes,' file <b>Form 5452</b> , Corporate Report of Nondividend Distributions.					
If this is a consolidated return, answer here for the parent corporation and on <b>Form 851</b> , Affiliations Schedule, for each subsidiary.					

**Note:** If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120)**, Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

**Note:** The corporation is not required to complete Schedules L, M-1 and M-2 if Question 13 on Schedule K is answered 'Yes.'

<b>Schedule L Balance Sheets per Books</b>		Beginning of tax year		End of tax year	
<b>Assets</b>		(a)	(b)	(c)	(d)
1	Cash .....		62,829.		58,886.
2a	Trade notes and accounts receivable .....				
b	Less allowance for bad debts .....				
3	Inventories .....				
4	U.S. government obligations .....				
5	Tax-exempt securities (see instructions) .....				
6	Other current assets (attach schedule) .....				
7	Loans to shareholders .....				
8	Mortgage and real estate loans .....				
9	Other investments (attach schedule) .....				
10a	Buildings and other depreciable assets .....	14,180.		14,180.	
b	Less accumulated depreciation .....	4,696.	9,484.	4,942.	9,238.
11a	Depletable assets .....				
b	Less accumulated depletion .....				
12	Land (net of any amortization) .....				
13a	Intangible assets (amortizable only) .....				
b	Less accumulated amortization .....				
14	Other assets (attach schedule) .....				
15	<b>Total assets</b> .....		72,313.		68,124.
<b>Liabilities and Shareholders' Equity</b>					
16	Accounts payable .....				
17	Mortgages, notes, bonds payable in less than 1 year .....				
18	Other current liabilities (attach sch.) <b>SEE ST. 4</b> .....				6,670.
19	Loans from shareholders .....		137,165.		134,904.
20	Mortgages, notes, bonds payable in 1 year or more .....				
21	Other liabilities (attach schedule) .....				
22	Capital stock: a Preferred stock .....				
	b Common stock .....	5,000.	5,000.	5,000.	5,000.
23	Additional paid-in capital .....				
24	Retained earnings — Approp (att sch.) .....				
25	Retained earnings — Unappropriated .....		-69,852.		-78,450.
26	Adjmnt to shareholders' equity (att sch.) .....				
27	Less cost of treasury stock .....				
28	<b>Total liabilities and shareholders' equity</b> .....		72,313.		68,124.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return** (see instructions)

1	Net income (loss) per books .....	-8,598.	7	Income recorded on books this year not included on this return (itemize): Tax-exempt interest \$ .....	
2	Federal income tax per books .....				
3	Excess of capital losses over capital gains .....				
4	Income subject to tax not recorded on books this year (itemize): .....				
5	Expenses recorded on books this year not deducted on this return (itemize): a Depreciation .....		8	Deductions on this return not charged against book income this year (itemize): a Depreciation .....	
	b Charitable contributions .....	390.		b Charitable contribns .....	
	c Travel & entertainment .....	20,381.			
	<b>STATEMENT 5</b> .....	2,735.			
		23,506.	9	Add lines 7 and 8 .....	0.
6	Add lines 1 through 5 .....	14,908.	10	Income (page 1, line 28) — line 6 less line 9 .....	14,908.

**Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)**

1	Balance at beginning of year .....	-69,852.	5	Distributions .....	a Cash .....
2	Net income (loss) per books .....	-8,598.		b Stock .....	c Property .....
3	Other increases (itemize): .....		6	Other decreases (itemize): .....	
4	Add lines 1, 2, and 3 .....	-78,450.	7	Add lines 5 and 6 .....	
			8	Balance at end of year (line 4 less line 7) .....	-78,450.

Form **4562**Department of the Treasury  
Internal Revenue Service**Depreciation and Amortization**  
**(Including Information on Listed Property)**See separate instructions.  
Attach to your tax return.

OMB No. 1545-0172

**2004****67**

Name(s) shown on return

**MATRIX CAPITAL ASSOCIATES, INC.**

Business or activity to which this form relates

**FORM 1120**

Identifying number

**Part I Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See instructions for a higher limit for certain businesses.	1	\$102,000.
2	Total cost of section 179 property placed in service (see instructions).	2	
3	Threshold cost of section 179 property before reduction in limitation.	3	\$410,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost	
7	Listed property. Enter the amount from line 29.	7		
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.	8		
9	Tentative deduction. Enter the smaller of line 5 or line 8.	9		
10	Carryover of disallowed deduction from line 13 of your 2003 Form 4562.	10		
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs).	11		
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12		
13	Carryover of disallowed deduction to 2005. Add lines 9 and 10, less line 12.	13		

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions).	14	
15	Property subject to section 168(f)(1) election (see instructions).	15	
16	Other depreciation (including ACRS) (see instructions).	16	

**Part III MACRS Depreciation (Do not include listed property.) (See instructions)****Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2004.	17	246.
18	If you are electing under section 168(l)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here.		

**Section B — Assets Placed in Service During 2004 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

**Section C — Assets Placed in Service During 2004 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

**Part IV Summary (see instructions)**

21	Listed property. Enter amount from line 28.	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions.	22	246.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.	23	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDIZ0812L 09/30/04

Form **4562** (2004)

2004

## FEDERAL STATEMENTS

PAGE 1

MATRIX CAPITAL ASSOCIATES, INC.

STATEMENT 1  
FORM 1120, LINE 26  
OTHER DEDUCTIONS

AUTO AND TRUCK.....	\$	36,933.
BANK CHARGES.....		580.
CLIENT MATERIALS.....		474.
DUES AND SUBSCRIPTIONS.....		1,818.
GIFTS.....		4,601.
INSURANCE.....		11,053.
LEGAL AND PROFESSIONAL.....		245,722.
MEALS AND ENTERTAINMENT.....		20,381.
MEDICAL EXPENSES.....		22,270.
MISCELLANEOUS.....		963.
OFFICE EXPENSE.....		9,507.
POSTAGE.....		1,077.
PRINTING.....		119.
STORAGE.....		3,454.
TELEPHONE.....		11,339.
TRAVEL.....		59,128.
UTILITIES.....		6,089.
TOTAL	\$	<u>435,508.</u>

STATEMENT 2  
FORM 1120, LINE 29A  
NET OPERATING LOSS DEDUCTION

CARRYOVER GENERATED FROM YEAR END 12/31/02	\$	50,444.
AMOUNT UTILIZED IN 2003	24,231.	
TOTAL UTILIZATION	\$	<u>24,231.</u>
AVAILABLE FOR CARRYOVER TO 2004.....		26,213.
NET OPERATING LOSSES AVAILABLE IN 2004.....	\$	<u>26,213.</u>
TAXABLE INCOME.....		14,908.
TOTAL NET OPERATING LOSS DEDUCTION (LIMITED TO TAXABLE INCOME).....		<u>14,908.</u>

STATEMENT 3  
FORM 1120, SCHEDULE K, LINE 5  
50% OR MORE OWNERS

NAME	:	L. WAYNE GERTMENIAN
ID NUMBER	:	
PERCENTAGE OWNED	:	100.00%

2004

## FEDERAL STATEMENTS

PAGE 2

MATRIX CAPITAL ASSOCIATES, INC.

STATEMENT 4  
FORM 1120, SCHEDULE L, LINE 18  
OTHER CURRENT LIABILITIES

	<u>BEGINNING</u>	<u>ENDING</u>
CREDIT CARDS PAYABLE.....	\$ 0.	\$ 6,670.
TOTAL	<u>\$ 0.</u>	<u>\$ 6,670.</u>

STATEMENT 5  
FORM 1120, SCHEDULE M-1, LINE 5  
BOOK EXPENSES NOT DEDUCTED

OFFICER LIFE INSURANCE PREMIUMS.....	\$ 2,735.
TOTAL	<u>\$ 2,735.</u>